

FIRST PUBLISHED IN THE WICHITA EAGLE ON JUNE 15, 2006

ORDINANCE NO. 47-042

AN ORDINANCE EXEMPTING PROPERTY FROM AD VALOREM TAXATION FOR ECONOMIC DEVELOPMENT PURPOSES PURSUANT TO ARTICLE 11, SECTION 13, OF THE KANSAS CONSTITUTION; PROVIDING THE TERMS AND CONDITIONS FOR AD VALOREM TAX EXEMPTION; AND DESCRIBING THE PROPERTY OF WEAVER MANUFACTURING, INC., SO EXEMPTED.

WHEREAS, Article 11, Section 13, of the Kansas Constitution provides that the governing body of the City may, by Ordinance, exempt from all ad valorem taxation all or any portion of the appraised value of certain property meeting the requirements of the constitutional provision; and

WHEREAS, the City of Wichita has adopted an Economic Development Incentive Policy by which the City will consider granting tax exemptions upon a clear and factual showing of direct economic benefit including the creation of additional jobs or the upgrading of existing jobs and the stimulation of additional private investment; and

WHEREAS, Weaver Manufacturing, Inc. and TDR, Ltd. (its 60%-owned affiliate) request an ad valorem tax exemption on a proposed expansion project of 45% for a five-year term on the purchase of certain new manufacturing equipment; and

WHEREAS, Weaver Manufacturing, Inc. has operated within the City for more than fifty years as a machine shop supporting the aircraft industry; and

WHEREAS, Weaver Manufacturing, Inc. proposes a \$316,890 expansion and lease from TDR, Ltd. of new equipment purchased by TDR, Ltd., all to be located at 1005 E. 17th in northeast Wichita; and

WHEREAS, the City Council of the City of Wichita has reviewed the application and supporting documentation supplied by Weaver Manufacturing, Inc., has reviewed the impact statements provided by Staff, and the Cost-Benefit Analysis by the Wichita State University and has conducted a public hearing on such application on June 6, 2006; and

WHEREAS, the City Council of the City of Wichita has found and determined:

1. Weaver Manufacturing, Inc. is an existing business located in Wichita, Kansas and intends to expand its business by the purchase of certain personal property through its 60%-owned affiliate, TDR, Ltd.
2. The purchase of personal property for which exemption is given occurred after June 13, 2005. No exemption will be given for construction or purchases, which occurred before that date.

3. Such property purchases are to be used exclusively for manufacturing articles of commerce.
4. By such purchases, Weaver Manufacturing, Inc. will create new employment for 4 employees within three years after the start of the project.
5. Tax exemption will be given only for the purchase of certain personal property as reflected in Exhibit I attached hereto.
6. The property on which exemption is given will meet the requirements of the Kansas Constitution and the City of Wichita's Economic Development Incentive Policy.
7. Such ad valorem tax exemption is in the public interest providing for economic growth and benefit including the creation of jobs and stimulating additional private investment.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WICHITA, KANSAS,

1. The City Council for the City of Wichita, Kansas hereby makes a factual determination that an ad valorem tax exemption of the type requested by Weaver Manufacturing, Inc. is required to retain jobs in the State of Kansas, and that the property to be exempted is to be used exclusively for manufacturing articles of commerce.
2. Weaver Manufacturing, Inc. and TDR, Ltd. are hereby granted an ad valorem tax exemption of 45% for a five-year term on the purchase of personal property started after June 13, 2005, and located within the Wichita City limits at 1005 E. 17th in northeast Wichita at an estimated cost of \$316,890, as further defined in Exhibit I attached hereto. Such exemption is to begin in the calendar year after the calendar year in which the expansion is completed, and may be terminated early (and Weaver Manufacturing, Inc. and TDR, Ltd. may be required to repay amounts previously abated), in the event of any failure by Weaver Manufacturing, Inc. or TDR, Ltd. to perform obligations under the Economic Development Incentive Agreement executed with the City.
3. The Economic Development Incentive Agreement by and among the City of Wichita, Weaver Manufacturing, Inc. and TDR, Ltd. is hereby approved.
4. The City Manager's Office shall be responsible for monitoring the performance of Weaver Manufacturing, Inc. and shall provide annual reports on such performance.
5. Such exemption is subject to verification that the level of employment at the time of the completion of the project is at least equal to the level of employment as stated in Weaver Manufacturing, Inc.'s written request for ad valorem tax exemptions as presented to the City Council and to administrative staff and dated March 28, 2006, and as stated in Weaver Manufacturing, Inc.'s annually approved EEO/AA Plan.

6. Such exemption may hereafter be withdrawn by the City Council upon a finding that Weaver Manufacturing, Inc. no longer is entitled to such exemption in accordance with the Economic Development Incentive Agreement, which Weaver Manufacturing, Inc. has executed with the City.

7. The City Council may, at its discretion, require Weaver Manufacturing, Inc. to return all funds exempted if there is a failure to meet the terms and conditions of the Economic Development Incentive Agreement, which Weaver Manufacturing, Inc. has executed with the City.

8. Upon finding that Weaver Manufacturing, Inc. has failed to meet its obligations under the Economic Development Incentive Agreement, the City Council shall require the repayment of all prior amounts of taxes that have been exempted and shall withhold any future exemption of taxes on Weaver Manufacturing, Inc.'s expansion project. All repayments shall be redistributed to the local taxing authorities at the proper taxing rates.

8. This Ordinance shall be in full force and effect from and after its passage and publication in the official City paper.

Passed by the governing body of the City of Wichita, Kansas this 13th day of June, 2006.

Carlos Mayans, Mayor

ATTEST:

Karen Sublett, City Clerk

Approved as to Form:

Gary E. Rebenstorf, City Attorney

Weaver Manufacturing, Inc.

Exhibit I

Equipment Purchases:

Makino S-33, SN-7400	\$148,680
Makino S-33, SN-7459	148,680
25.00 Infrared Probe	<u>19,530</u>

Total Equipment \$316,890

Total Expansion Project

\$316,890